(c) During, 2006-07, Special Securities amounting to Rs. 16,200 crore have been issued to Food Corporation of India in settlement of outstanding dues on account of release of foodgrains under Sampoorana Gramin Rozgar Yojana and National Food for Work Programme.

(d) No, Sir. As per extant accounting arrangement, budgetary support in the form of Special Securities are reflected in the gross expenditure but do not impact the deficit indicators as the investment in these Special Securities are adjusted against receipts. However, the servicing of these Securities in the form of interest payment is taken into account for the calculation of fiscal deficit.

Inflow of foreign exchange

335. SHRI RAHUL BAJAJ: Will the Minister of FINANCE be pleased to state:

(a) what are the details of inflow of foreign exchange on the capital account during the year, 2006-07, category-wise, and which of these inflows are productive and which speculative; and

(b) what corrective action, if any has been taken or planned to curb speculative inflows?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The details of inflow of foreign exchange on the capital account during, 2006-07 are set out below:

(in US$ million)

Net Capital Flows 2006-07	2006-07 (P)
Foreign Direct Investment	8437
Portfolio Investment	7062
External Assistance	1770
External Commercial Borrowings	16084
NRI Deposits	3895
Short-term Credits	3275
Others	4421
TOTAL:	44944

P: Preliminary

Capital flows are not classified as productive or speculative as financial resources, by nature, are capable of productive uses. Usually capital flows are categorized as short-term and long-term flows. Portfolio investment and short-term credits may be considered as short-term flows which could have elements of volatility associated with them.